



U.S. Department of Justice

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PRESS RELEASE

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Financial Fraud Enforcement Task Force Announces Regional Results of Largest-Ever Nationwide Operation Targeting Investment Fraud

WASHINGTON – Following an announcement today by Attorney General Eric Holder, representatives of the Financial Fraud Enforcement Task Force in Washington, D.C., including U.S. Attorney Ronald C. Machen Jr., announced the regional results of Operation Broken Trust, a nationwide operation which targeted investment fraud in the District of Columbia and throughout the country. Operation Broken Trust is the first nationwide operation of its kind to target a broad array of investment fraud schemes that directly prey upon the investing public.

The interagency Financial Fraud Enforcement Task Force was established by the President to lead an aggressive, coordinated and proactive effort to investigate and prosecute financial crimes. Starting on August 16, 2010, to date Operation Broken Trust has involved enforcement actions against 310 criminal defendants and 189 civil defendants for fraud schemes involving more than 120,000 victims throughout the country. The operation's criminal cases involved approximately \$8.3 billion in estimated losses and the civil cases involved estimated losses of more than \$2.1 billion.*

In the District of Columbia, the cases have a far-reaching impact. One defendant was arrested last week after a grand jury indicted him on charges that he ran a Ponzi scheme that caused more than \$110 million in intended losses. Another, a registered securities representative, recently pled guilty to mail fraud in a case involving more than \$3.6 million in losses.

“With this operation, the Financial Fraud Enforcement Task Force is sending a strong message,” said Attorney General Holder. “To the public: be alert for these frauds, take appropriate measures to protect yourself, and report such schemes to proper authorities when they occur. And to anyone operating or attempting to operate an investment scam: cheating investors out of their earnings and savings is no longer a safe business plan - we will use every tool at our disposal to find you, to stop you, and to bring you to justice.”

“We have zero tolerance for swindlers who take advantage of unwary investors,” said U.S.

Attorney Machen. “If you’ve been ripped off by one of these scams, let us know. We will move swiftly and decisively to protect investors’ assets and hold financial fraudsters criminally accountable.”

“The FBI is working across the country and here in the District of Columbia to uncover financial fraud schemes that have wreaked havoc on victims and the economy,” said James W. McJunkin, Assistant Director in Charge of FBI’s Washington Field Office. “The public should be aware that fraudsters are continually scheming to steal money from unwitting victims and individuals should take steps to protect themselves from these crimes.”

The President’s Financial Fraud Enforcement Task Force includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general, and state and local law enforcement who, working together, bring to bear a powerful array of criminal and civil enforcement resources. The task force is working to improve efforts across the federal executive branch, and with state and local partners, to investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial crimes, combat discrimination in the lending and financial markets, and recover proceeds for victims of financial crimes. For more information on the task force, visit StopFraud.gov.

U.S. Attorney Machen credited the many law enforcement partners who worked on the Operation Broken Trust cases brought by his office, including the FBI’s Washington Field Office, the U.S. Secret Service, the U.S. Postal Inspection Service, and the Justice Department’s Asset Forfeiture and Money Laundering Section.

Operation Broken Trust cases in the District of Columbia included:

United States vs. Anthony Fareri

Anthony Fareri, 45, is a former registered securities representative who operated Fareri Financial Services, d/b/a AmeriFinancial (“FFS”), in Boca Raton, Florida. He pled guilty on September 20, 2010 to participating in a mail fraud scheme and is awaiting sentencing by a judge in U.S. District Court for the District of Columbia. The crime involved approximately \$3.675 million in losses to more than 40 of Fareri’s stock brokerage clients in connection with the sale of two penny stocks, American Financial Holdings, Inc. (“AFHJ”) and Secure Solutions Holdings, Inc. (“SSLX”). According to a Statement of Offense filed at the time of the guilty plea, between September of 2004 and October of 2006, Fareri and others teamed up to defraud Fareri’s clients.

One of Fareri’s co-schemers used nominees to acquire control of the free trading shares of AFHJ and SSLX. He and Fareri then used matched orders to manipulate the price of the companies’ stocks to grossly inflated levels. Fareri’s customer accounts purchased shares of the stocks at these artificially high prices at the same time that the nominees sold the shares into the market. Fareri’s business associate made kickback payments to Fareri from his profits.

United States vs. Thomas A. Bowdoin Jr.

Thomas A. Bowdoin Jr., 76, also known as Andy Bowdoin, of Quincy, Florida, was the founder and operator of a business known as AdSurf Daily Inc. He was arrested December 1, 2010 following his indictment by a grand jury in U.S. District Court for the District of Columbia. Bowdoin is accused of cheating thousands of people in an Internet-based fraud scheme that generated more than \$110 million. Charges include wire fraud, securities fraud and unlawful sale of unregistered securities.

The indictment alleges that Bowdoin ran a Ponzi scheme disguised as an online advertising company that drew in large numbers of investors by promising huge returns on their monies. According to the indictment, Bowdoin operated AdSurf Daily from on or around September of 2006 until August 2008. In an earlier civil action related to Bowdoin's fraudulent activity, and a related scheme, the government seized about \$80 million in funds from bank accounts, several cars, water-sport equipment and two plots of land with their buildings.

The government has contracted with a claims administration firm to process claims for funds that have been seized and forfeited in the AdSurf Daily and related matters. Information is available at <http://www.adsurfdailyremission.com> or by calling 1-888-398-8214 or writing to Ad Surf Daily Remission Administrator, P.O. Box 2353, Faribault, MN 55021-9053.

As a part of Operation Broken Trust, the task force is making the public aware of resources available to protect against these types of fraud and how to report fraud when it occurs. To learn more about investment scams, how to take steps to protect yourself from scams, or how to report investment fraud if you believe you have been victimized, the task force recommends that you visit its website, StopFraud.gov, which includes links to a wide array of task force member resources.

* Numbers updated as of December 14, 2010

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